

Fairfax Media

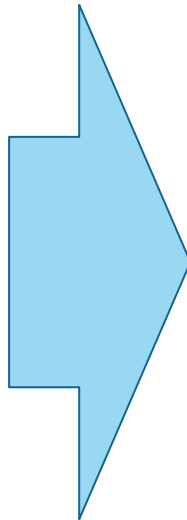
A diversified and growing media organisation

David Kirk, Chief Executive Officer

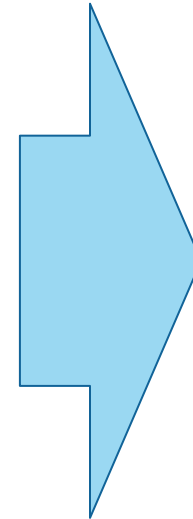


From metro publisher to leading multi-media company

- **Unrivalled capability in digital content origination and aggregation**
- **Powerful multimedia brands extending audience reach**
- **Distributing and promoting content across multiple platforms**
- **Proven new media revenue models**



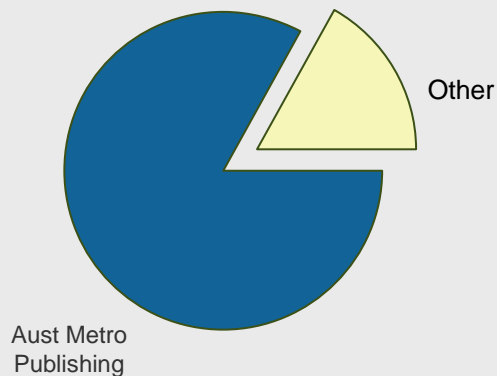
Strongly positioned for changing technologies and media consumption habits



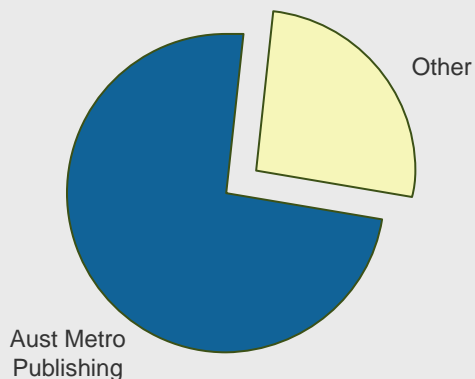
Driving sustained earnings per share growth

Diversification, growth strategies and business improvements have given Fairfax Media a much broader business mix

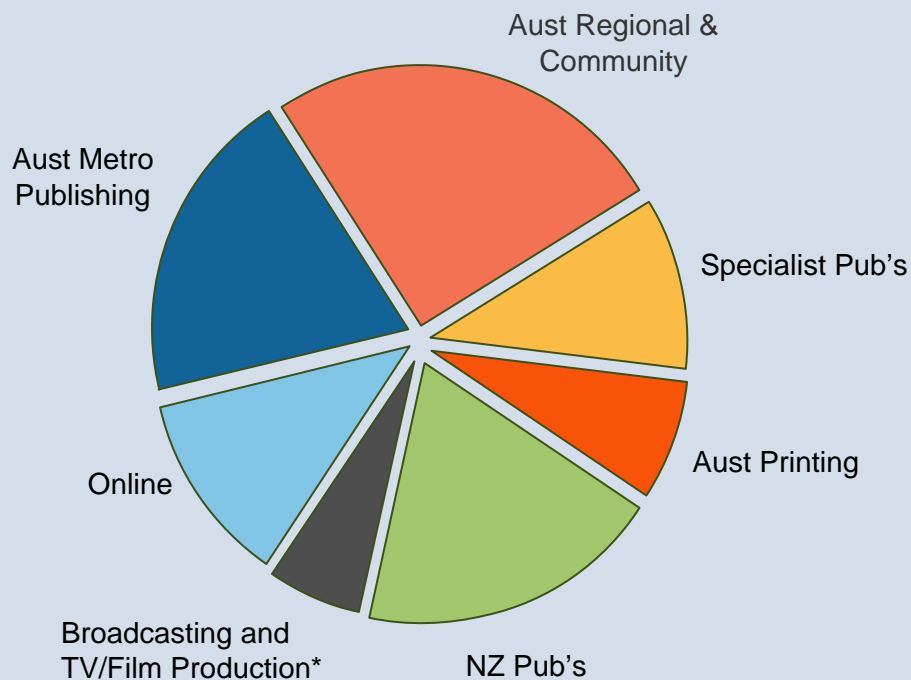
FY00 EBITDA



FY03 EBITDA



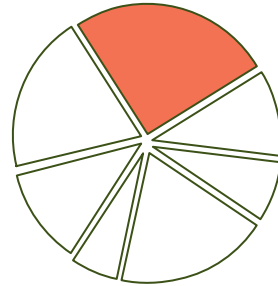
PRO-FORMA H1 FY08 EBITDA



* Includes pro-forma results of Southern Cross and Southern Star for the period

Fairfax Media's businesses are diverse

AUSTRALIAN REGIONAL AND COMMUNITY PUBLICATIONS



As at 31 December 2007 pro-forma:

- Approximately 25% of EBITDA

Products

- Over 250 daily, weekly and monthly publications throughout Australia

Economic Characteristics

- Vast majority of publications located in single newspaper cities and towns
- Attract a diverse range of advertising revenues
- Proven resilience through economic cycles

Structural Outlook

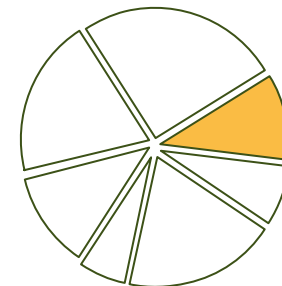
- Good long term growth.
- Bundling on national classified internet platforms provide market stability

Fairfax Media's businesses are diverse

SPECIALIST PUBLICATIONS

As at 31 December 2007 pro-forma:

- Approximately 11% of EBITDA



Made up of two distinct businesses:

Fairfax Business Media

Products

- National daily financial publication the *Australian Financial Review* plus numerous newspaper inserted and over the counter business and lifestyle magazines
- Business website *afr.com.au*

Economic Characteristics

- Powerful market position
- Market demand linked to the business and share market cycles.

Structural Outlook

- Strong connection to niche audiences ensuring continued relevance and revenue growth

Agricultural

Products

- Largest agricultural publisher in Australia with 63 agricultural publications in Australia, New Zealand and USA

Economic Characteristics

- Powerful market position
- Market closely related to agricultural cycles
- Recent rains will generate advertising demand

Structural Outlook

- Strong connection to niche audiences ensuring continued relevance and revenue growth

Fairfax Media's businesses are diverse

AUSTRALIAN PRINTING

As at 31 December 2007 pro-forma:

- Approximately 7% of EBITDA

Products

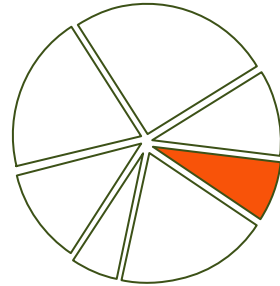
- 16 printing plants located throughout Australia

Economic Characteristics

- Prints all the newspaper products of the company
- Uses excess capacity for external printing customers
- Low cost operator in the market
- Customer base provides stable earnings

Structural Outlook

- Significant portion of revenues underwritten by internal printing requirements



Fairfax Media's businesses are diverse

NEW ZEALAND PUBLICATIONS

As at 31 December 2007 pro-forma:

- Approximately 19% of EBITDA

Products

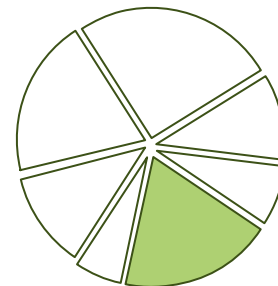
- Nine regional daily and two Sunday national newspapers
- Over 50 community newspapers
- Over 21 magazine titles

Economic Characteristics

- Vast majority of publications located in single newspaper cities and towns
- Diverse range of advertising revenues
- Sunday newspapers closely linked to national advertising cycle
- Other publications linked to local economic conditions

Structural Outlook

- Good medium to long term revenue growth

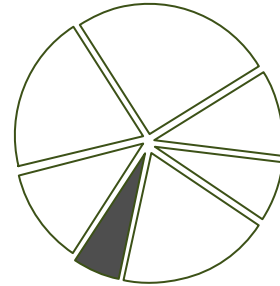


Fairfax Media's businesses are diverse

BROADCASTING AND TV FILM PRODUCTION

As at 31 December 2007 pro-forma:

- Approximately 6% of EBITDA



Made up of two distinct businesses:

Fairfax Radio Network

Products

- Four talk back and three metropolitan music stations
- 22 licences in South Australia and Queensland

Economic Characteristics

- Good positions in local radio markets
- Market closely linked to local economic conditions
- Provides promotional benefits in Sydney and Melbourne, assists national reach into the Brisbane and Perth markets

Structural Outlook

- Good medium to long term revenue growth

Southern Star TV / Film Production

Products

- Australia's largest independent television production and distribution group

Economic Characteristics

- Continued drive by media companies for quality TV production content

Structural Outlook

- Good forward revenue momentum on recent production and distribution successes

Fairfax Media's businesses are diverse

ONLINE

As at 31 December 2007 proforma:

- Approximately 12% of EBITDA

Products

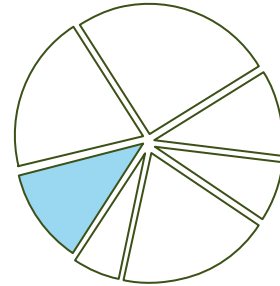
- Largest fully owned online network in Australasia
- # 1 news sites in Australia and New Zealand
- # 1 auctions site in New Zealand
- # 2 classified sites in Australia and # 1 motors and real estate site in New Zealand
- # 1 dating site in Australia
- Numerous niche websites

Economic Characteristics


























- Growth strongly correlated to the structural changes occurring in the media and advertising sectors
- Markets not expected to be effected to any large degree by fluctuations in the advertising cycles

Structural Outlook

- Very strong growth

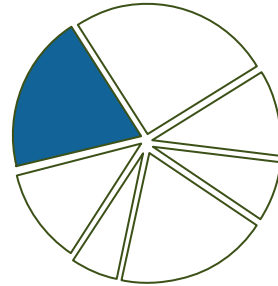


Internet growth: Fairfax built the leading online news network and digital marketplace in the region

Key Sectors	Businesses and brands	Competitive Position
Online news	  	Australia - #1 news sites NZ - #1 site
Business news and information; personal finance	    	Australia - #1 subscription site and emerging free business news and personal finance sites
Real Estate	   	Australia - #2 site NZ (via Trade Me) - #1 site
Employment	 	Australia - #2 site NZ (via Trade Me) - #2 site
Automotive	  	Australia - #2 site NZ (via Trade Me) - #1 site
Auctions and e-commerce	 <p>Where Kiwis Buy and Sell</p>	NZ - #1 site
Dating	 	Australia - #1 site NZ (via Trade Me) - #2 site
Travel	 	Australia - #1 holiday rentals site NZ – recently launched accommodation site
Financial Services		Australia – #2 funds management lead generation business
Special Interest	 	

Fairfax Media's businesses are diverse

AUSTRALIAN METROPOLITAN PUBLICATIONS



As at 31 December 2007 pro-forma:

- Approximately 20% of EBITDA

Products

- Two daily metropolitan broadsheets, *The Sydney Morning Herald* and *The Age* (Melbourne)
- Numerous newspaper inserted high quality magazines

Economic Characteristics

- Competitive markets
- Strongly correlated to advertising cycle
- Traditionally dependant upon high margin lineage classifieds. Revenue model changing
 - Increase in display classifieds i.e. local Domains which are more sustainable
 - Greater flexibility in advertising positioning
- Key supplier of content throughout the company

Structural Outlook

- Low growth

Why we are different to our global publishing peers

SUPERIOR PUBLISHING POSITION	A WIDE-REACHING INTERNET PORTFOLIO
<p>Circulation stability</p> <ul style="list-style-type: none">• Less competitive environments• Strong local content and unique customer relationships• Large colour usage in editorial <p>Superior advertising platforms</p> <ul style="list-style-type: none">• Large colour offering• Bundling of national internet platforms• Creation of new classified advertising products adapted to internet competition<ul style="list-style-type: none">– Movement of lineage to display classifieds– Geographic segmentation/Competitive price points e.g. Zoned Domains	<p>TradeMe</p> <p>National classifieds platform</p> <ul style="list-style-type: none">• Strong #2 in jobs, homes and cars <p>National news and information</p> <ul style="list-style-type: none">• #1 news sites <p>Growing transaction and niche special interest sites</p> <ul style="list-style-type: none">• RSVP, InvestSmart, Essential Baby, Stayz, theVine <p>Monetisation of video</p>



A PUBLISHING AND ONLINE BUSINESS THAT WILL DRIVE LONG TERM GROWTH

How exposed is Fairfax Media to a cyclical downturn?

Our earnings are less volatile

- Reduced influence of Australian Metropolitan newspapers and proven resilience of Regional publications
- Structurally driven Online profits growing very strongly
- Recent rains in Regional and Rural areas and high commodity prices
- Good cost outcomes expected
 - \$45m in cost synergies from merger with Rural Press
 - Cost synergies from Southern Cross acquisition
 - Relocation of Sydney office will save approx. \$5m per annum
 - Expect reduction in newsprint pricing (approx. 20% of publishing costs) in FY09
 - Further cost reductions anticipated via ongoing business improvement initiatives
- Sydney market has been depressed for the past two years. Strong contrast to 2002 following advertising peak in 2000

A mix of media assets that will deliver good year on year growth

	% EBITDA Contribution Pro-forma H108	Ad Cycle Volatility	Longer Term Profit Growth Outlook
Australian Regional & Community	25%	Low to Medium	Medium
Specialist Publications	11%	Medium	Strong
Australian Printing	7%	Low to Medium	Medium
New Zealand Publications	19%	Low to Medium	Medium
Broadcasting & TV Production	6%	Medium	Medium
Online	12%	Low	Very Strong
Australian Metropolitan Publishing	20%	High	Low

Fairfax Media

